



Department of Justice

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JUSTICE DEPARTMENT CLEARS WAY FOR CONSORTIUM OFFERING FREE ELECTRONIC TAX SERVICES

WASHINGTON, D.C. -- The Department of Justice today cleared the way for a group of private sector firms to form a consortium to offer taxpayers an easier way to obtain free electronic tax preparation and filing services in coordination with the Internal Revenue Service.

The Department's position was stated in a business review letter from Charles A. James, Assistant Attorney General for the Antitrust Division, to counsel for the consortium, which has yet to be incorporated.

"This innovative public-private partnership between providers of electronic tax services and the IRS promises to make free electronic tax preparation and filing services more readily available to individual taxpayers," said Charles A. James, Assistant Attorney General for Antitrust. "The Consortium will encourage taxpayers to take advantage of simple, speedy options for electronic filing of their returns, as encouraged by the IRS Restructuring and Reform Act of 1998."

The letter said the consortium, as proposed, should pose no threat to competition in the market for providing tax services to individuals. The participants in the consortium will each continue to offer their own electronic tax preparation and filing services in competition with each other outside the consortium structure, and to otherwise compete with each other and the consortium.

The consortium will be open to all providers of electronic tax services to individuals who meet IRS-approved requirements, provided they agree to offer free electronic tax preparation and filing. The consortium will commit that in the aggregate at least 60% of taxpayers will be eligible for free services through the consortium. The consortium will design a proposed website page with links to each member's free service, and submit the proposed website to the IRS for final control over the content. Taxpayers will be able to access the list of consortium members' free services through the main IRS website, at www.irs.gov, and through other government websites. The IRS and the consortium will coordinate marketing of the free tax services to maximize public awareness, although specific offerings or products offered by consortium members will not be endorsed by the IRS.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7th Street, N.W., Department of Justice, Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure, 28 C.F.R. § 50.6.

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